

Core FT1:

Business & Industry , File 9 (1994 - present)
 ABI/INFORM®, File 15 (1971 - present)
 Gale Group PROMT®, File 16 (1990 - present)
 Gale Group PROMT®, File 160 (1972-1989)
 Gale Group Trade & Industry Database , File 148 (1976 - present)
 Gale Group Computer Database , File 275 (full-text 1/1988 - present)
 Business Wire, File 610 (Mar 1999 - present)
 Business Wire, File 810 (1986 - February 1999)

Core FT2:

Dialog Global Reporter, File 20 (May 1997 - present)
 The McGraw-Hill Companies Publications Online, File 624 (1985 - present)
 Gale Group New Product Announcements/Plus® (NPA/Plus, File 621 (1985 - present)
 Gale Group Newsletter Database , File 636 (1988 - present)
 PR Newswire, File 613 (May 1999 - present)
 San Jose Mercury News, File 634 (Jun 1985 - present)
 PR Newswire, File 813 (May 1987 - May 1999)

Sub35FT:

McClatchy-Tribune Information Service, File 608 (Jan 1989 - present)
 American Banker Financial Publications, File 625 (1981 - June 2008)
 Banking Information Source, File 268 full-text (1994 - present)
 Bond Buyer Full Text, File 626 (November 1981 - April 2008)
 DIALOG Finance & Banking Newsletters, File 267 (1996 - present)

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1995 software reviews

Leonard, Kevin J; Thompson, Norman; Smith, Bill; Morrissey, David G; Dennis, Michael C

Business Credit , v 97 , n 5 , p 20-23 , May 1995 **Document Type:** Journal Article **ISSN:** 0897-0181

Journal Code: CFM **Language:** English **Record Type:** Abstract Fulltext

ARTICLE REFERENCE NUMBER:

Word Count: 02750

Abstract:

Credit scoring and analysis software packages are reviewed, including: 1. The Halcyon Group Inc.'s fisCAL Business Analysis Software, 2. SR Research Inc.'s Corporate Credit Expert, and 3. Credit & Management Systems Inc.'s Corporate Credit Manager.

Text:

As someone who has spent more than the last decade in the credit scoring field--as a researcher, consultant, and practitioner, I feel quite confident in stating that the fisCAL package from Halcyon Software addresses issues that are of top priority in the area of credit evaluation for commercial and corporate entities.

In the process of determining credit worthiness or establishing corporate valuations, two main issues have to be addressed--the actual location of the data and the ability to synthesize all of the data that is available. This package does much to help solve this second concern.

One of the main advantages of using commercial evaluation packages is that a structure for information management is then provided. This is the main feature of fisCAL. The package allows for easy access to structure of many standard financial reports, such as balance sheets or income statements. The package also provides much more sophisticated analysis, including breakeven analysis, creation of pro forma statements, and trend analysis--incorporating statistics from previous time periods or from external constituents (either internal--other departments, or external--competitors, industry standards). Additionally, the system actually provides these industry numbers (RMA and IRS data are available on diskette). At a time when companies are increasingly focusing on TQM, process reengineering, and continuous improvement, it is imperative that a realistic comparison in the form of benchmarks is accessible.

The graphics package is another nice feature of fisCAL. There is nothing like being able to take data out of text or a spreadsheet and manipulate it into a graphic display for easy and straightforward interpretation. In many other packages, this requires exiting one program and importing the data into another package. For those who are not sophisticated computer users, this can often translate into a nightmare. This package alleviates the pressure and provides easy graphics access not

only for data but for the standards from other sources. Also, trend analysis is readily produced in graphic format.

When purchasing a system, cost is always a factor. Although the cost for the full fiscal package is quite affordable, there is a no frills package for word processing and spreadsheets. The system requires just a standard IBM-compatible PC with a minimum of 640K RAM, 4.5 megabytes of hard-disk space, and MS-DOS version 2.0 or later, or OS-2. Documentation is excellent--either in written form or through assistance of support video. The only drawback to the system is that the initial loading of the software onto the hard drive (especially for advanced modules) requires some computer experience. However, this is overcome either through persistence or contact with Halcyon's very capable technical support staff. A Windows version is also expected to be released in June, 1995.

Finally, the scoring component is a critical part of fiscal and of this evaluation. At the moment, the package includes a description and calculation of the Altman Z-Score and provides their proprietary Triscore (this is not yet available for review, but is expected out shortly). This will allow a conventional evaluation of a company's valuation and its expected growth and performance. At present, there are no plans to offer a custom scorecard development capability with the fiscal software.

In short, if you are a credit manager interested in company evaluations or a small-business entrepreneur, or the comptroller in a large corporation, fiscal is definitely a package worth investigating. Halcyon's attention to improvement, affiliation with academic texts, and the opportunity for continued growth is readily evident. I have no reservations in providing a very favorable review and recommending it highly.

Recently, I had the opportunity to take an in-depth look at the Windows version of the Corporate Credit Expert (CCEXTM) from SR Research. It is a client server, desktop application that provides expert decision support for credit and financial services. It was particularly gratifying to see CCEX in operation, having been involved in its origin through its evolution. It not only met, but exceeded my expectations.

The product was fully operational and offered tremendous capabilities. CCEX replicates the decision-making process. It provides the necessary functionality to "capture" internal expertise in a company and to make credit policy functional. Companies are able to retain investment in the form of knowledge bases. In my view, it is clearly the most sophisticated decision-support system I have seen.

CCEX is much more than a scoring tool, it is a sophisticated application that will change the way credit environments operate. The system, now ordered "a la carte" allows a company to create a tailored solution to fit their own credit process.

Functionality runs the gamut from providing a flexible expert database for storing customer information, to advanced workflow capabilities, knowledge bases, a built-in expert, and more. CCEX can interface with any operational A/R system, as well as connect to D&B, TRW, Equifax, or any other information source. It also is capable of doing complete accounts receivable portfolio analysis by any classification desired.

CCEX is compatible with a wide variety of hardware and software, enabling it to meet varying needs. The fundamental underlying technology subscribes to a "one size does not fit all" philosophy, and instead strives to meet the challenge of providing a solution that is open, flexible, and scalable.

The power of CCEX comes from its built-in functional expertise and its underlying process independent technology enabling the reengineering of credit, collections, and accounts receivable.

Companies can use CCEX to serve as a springboard for their reengineering efforts through:

- * Improved efficiency by consolidation of data from paper to electronic files, facilitating in-depth analysis in seconds as opposed to days or weeks, allowing your staff more time to focus on "important" issues;

- * improving workflow by automating tasks using the Workflow Module™ to maximize the efficiency of your credit department;
- * enabling complete portfolio analysis and comparison to manage credit exposure in today's challenging environment;
- * embedding years of corporate investment into CCEx via the Knowledge Module™ by extracting knowledge from your most experienced credit professionals and entering it into the system;

One final word. It is important not to think of this product as a typical "off-the-shelf" software package for making credit decisions. It is an expert system which provides significant functionality to reengineer your credit processes. Of course, the effort spent in understanding and reengineering your credit processes is well worth spending in today's competitive world.

Corporate Credit Manager decision support software (CCM) doesn't just "crunch" the financial statement numbers of our customers. It makes decisions faster and more accurate by providing us with analyzed information in a consistent format. This process has taken into account our pre-loaded policies and industry standards and has summarized the attributes derived currently from our trade group and credit agency reports. A section on subjective operational information, resulting from our own customer awareness and experiences, is also applied.

In some instances, when current financials are not available, CCM can predict a reasonable financial position and provide an alternate tool for the credit decision. In any event, reports generated by the system are crystal clear and allow Sales and Finance to concentrate on the key issue of the credit analysis function: to maximize sales and minimum risk.

Prior to our installation of CCM in 1990, the director of training at CMS provided us with an executive overview of scoring models. This overview and algorithm development session was essential in tailoring each of the models to fit Searle's policies, goals, and objectives. As is still customary, the session was followed by on-site, hands-on training, as well as explanations for situations unique to our own environment. From that point, we simply loaded customer master file information and began to input financial statements. There was no first time confusion in this process. In fact, we were significantly impressed by the simplicity of the input in relation to the completeness of the end result.

CCM can be PC-based or (typically) incorporated into a LAN system. It is designed to receive downloaded A/R system data for a complete A/R portfolio analysis. It can be used to directly update credit lines or as an off-line resource. One of its more versatile features is a Query & Reporting tool, which produces many types of custom reports for specific management needs.

The system's newest 5.0 version is Windows formatted. It requires a minimum 2MB of RAM on a stand alone PC (recommended 386 or better). It operates on most LAN and Mid-Range platforms and some Mainframes. It is easily adapted to most A/R and Graphics systems utilizing local "IS" support. Costs are competitive and, in most instances, even below those of comparable systems. The approximate cost for single station installation is \$10,000, with annual maintenance of roughly \$1,400. It has been my experience that you will likely get more for your money with CCM.

Other features include: a collection phone call system, collection letters, note screens, follow-up alarms, foreign currency conversion, bankruptcy prediction, and overall risk calculations. This is on top of the expected ratios and other key indicators and extensive Portfolio Analysis module and Forecasting module. Equally important is the customer service and routine cooperation provided by the CMS technical support team, from the president on down. However, the company seems to be expanding rapidly and may have stretched their current staff to maximum efficiency. CMS management has indicated their awareness of this issue and is now in the process of adding to their technical support team.

As chairman of the CCM User's Group-Midwest Chapter, I have a unique perspective of the experiences, methods, and preferences of our 50-member

group. I have called on this knowledge for this evaluation of the Corporate Credit Manager™.

It would be easy to write a review of The Commercial Credit Matrix Software (CCM) that was more complex than the product itself. In practice, loading one of CCM's LOTUS-type spreadsheet templates is as smooth as loading any spreadsheet file to your compatible spreadsheet program. Various templates provide several different levels of review based on the analyst's needs.

CCM provides us with a scoring system based on five key ratios, the Current Ratio, Quick Ratio, Liquidity Ratio, Equity/Debt Ratio, and Return on Equity. The software will reduce these ratios to a final score which is useful in granting short-term credit to most businesses. There is also room to add those ratios unique to the analyst's needs, and there are several helpful macros that aid in printing and moving through the documents. Mr. Kristy does not feel that the program is appropriate for "financial institutions ... banks, brokers, insurance companies, etc.", and notes the unusual liquidity requirements of those industries. In addition, regulated companies such as utilities are considered outside the normal process due to their monopoly status.

Documentation of the software consists of four short pages describing compatibility, loading, and the content of the various computer files provided. Combined with the companion booklet, "Analyzing Financial Statements Quick and Clean," even those new to the process should become comfortable with practice.

A wish list for future versions might add debt coverage, interest coverage, and sales ratios, along with days outstanding in receivables, accounts payable, and inventory. A suggested credit limit based on variables supplied by the analyst would also be appreciated.

Supplied on both 5 1/4 and 3 1/2 inch disks, the program retails for \$89-members; \$102-non-members and should be compatible with IBM-type PC with DOS 2+ and Lotus, V.2+ or Symphony.

Dun & Bradstreet Information Services has a software program to help credit managers evaluate credit risk called Risk Assessment Manager or RAM. RAM is designed:

- * to quickly calculate a credit risk score (a RAM score) for a new or current account. The score is calculated using a customized matrix (formula);

- * to allow credit managers to develop their own customized credit risk score by weighting various factors differently to allow credit managers to further customize the way RAM calculates credit scores by allowing the user to create customized fields of data. This data becomes part of the credit scoring matrix. (One example of customized field would be an individual customer's contribution or profit margin);

- * to flag accounts as low, medium, or high risk to generate reports that help the credit manager assess their entire portfolio of accounts;

- * to generate letters to customers (such as dunning notices), as well as letters to bank and trade references to allow credit managers to order D&B information on-line. (The updated D&B information then updates the RAM scores.);

- * to import accounts receivable information from the user's A/R data base to help assess and manage risk to recalculate the RAM score when new information is received to allow credit managers to establish guidelines on-line for collection of delinquent accounts.

To use the RAM software, users either enter or download information into the various RAM screens. Once this software has sufficient information, it calculates a RAM score and recommends a credit limit.

Risk Assessment Manager operates in a Windows(TM) environment. The advantages of this include:

- * Windows allows data to be easily imported from other applications;
- * Windows is ideal for exporting RAM data into other applications;
- and Windows is user-friendly, meaning RAM users can navigate around and through the software quickly and efficiently.

This is a well-designed software program. Other thoughtful features of Risk Assessment Manager software include:

- * RAM allows for different levels of security for different users.
- * RAM allows users to create graphs (for example, a graph displaying the RAM score distribution for all customers).
- * The RAM program includes an online help facility for users unfamiliar with the software.
- * The financial analysis screen allows the credit manager to perform trend and variance analysis comparing two periods of financial data.
- * There is an unlimited number of screens for storing historical financial data and other information.
- * The data base can be manipulated to generate reports that explore trends and conditions in the accounts receivable portfolio risk. For example, the credit manager might create a report showing RAM scores by SIC code, which could then be used to find areas of opportunity for the sales department, or areas of concern to share with senior management.

The Risk Assessment Manager software program is an independent program--not a part of a larger system. The cost of the software is based on the number of workstations that will be using it. The base software price for one workstation is \$5,000. However, for that \$5,000 you receive the software plus 500 accounts with D&B information appended to them (already loaded), meaning the "real" cost to the user of the software is next to nothing.

RAM requires the following system to run it:

- * A 486 microprocessor;
- * 33 Mhz;
- * 8 Meg of RAM;
- * 10 Megs of hard disk space;
- * Windows 3.1;
- * Modem (for updating D&B information reports).

As with any credit scoring program, Risk Assessment Manager is designed to help speed up (or even to automate) the process of approving an open account and establishing a credit limit.

1249 fisCal Business Analysis Software by the Halcyon Group, Inc. P.O. Box 29439 Folly Beach, S.C.

Number of Variables: *****
Success Ratio: n/a
Ease of Use: ****
Documentation: ****
Comprehensiveness: ****
Compatibility with other programs: n/a
Practical Applications: *****
Technical Support: *****
Reviewed by Kevin J. Leonard, associate professor, Wilfrid Laurier

University, Waterloo, Canada.
Corporate Credit Expert (CCEXTM) by SR Research, Inc. 120 Royal Street Canton, Mass. 02021

Ease of use: ****
Comprehensiveness: *****
Compatibility with other programs: *****
Practical Applications: *****
Technical Support: ***
Installation Effort ***

Reviewed by Norman Thompson, former director, Sales Finance, The Proctor & Gamble Distributing Company, Cincinnati (Retired, 1994).
Corporate Credit ManagerTM, Version 5.0 by Credit & Management Systems, Inc. (CMS) 49 Sherwood Terrace, #49E Lake Bluff, Ill. 60044

Number of Variables: *****
Success Ratio *****
Ease of Use: *****
Documentation: *****

Comprehensiveness: *****
 Compatibility with other programs: *****
 Practical Applications: *****
 Technical Support: *****
 Reviewed by Bill Smith, Credit & Customer Financial Services,
 Monsanto Company Searle, St. Louis.
 Corporate Credit Matrix, by James Krist, available through NACM's
 publications department (item number 48A).
 Number of Variables: *****
 Success Ratio: *****
 Ease of Use: *****
 Documentation: *****
 Comprehensiveness: *****
 Compatibility with other programs: *****
 Practical Applications: *****
 Technical Support: n/a
 Reviewed by David G. Morrissey, credit manager, Carlos R. Leffler
 Inc., Richland Pa.
 Risk Assessment Manager by Dun & Bradstreet Corporation One
 Diamond Hill Road, Murray Hill, N.J. 07974.
 Number of Variables: *****
 Ease of Use: *****
 Documentation: *****
 Comprehensiveness: *****
 Compatibility with other programs: *****
 Practical Applications: *****
 Technical Support: *****
 Reviewed by Michael C. Dennis, C.B.F., frequent contributor to
 Business Credit.
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Special Features: Charts

Company Names:

Halcyon Group Inc

Dun & Bradstreet Corp Duns: 04-997-7473 Ticker: DNB

SR Research Inc

Credit & Management Systems Inc

Classification: 3200 (CN=Credit management); 5240 (CN=Software & systems); 9190 (CN=United States); 9120 (CN=Product specific)

Descriptors: Software reviews; Credit scoring; Credit analysis; Manyproducts; Manycompanies

Geographic Names: US
